


Annual Report 2023



Matatū. Tū Mataora.
Stand tall. Shape the future.



**Tū Mataora.
Stand tall.
Shape the future.**

Annual Report
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Message from the Governing Council Chair

Tēnā koutou katoa,

I am pleased to present my first annual report as Chair of the Governing Council, and I'd like to take this opportunity to acknowledge the work of our predecessors who left the Council with a clear vision and foundation for the future of the teaching profession in Aotearoa New Zealand. We have continued to build on that work over the last year.

Te Whare o Matatū Aotearoa | Teaching Council plays an important role in the increasingly diverse education landscape we live in, and in order to enhance the mana of the profession we work hard, supporting teachers to ensure the tamariki of Aotearoa prosper in our education system.

Teachers are at the heart of our nation, they foster and support creativity, support students to build critical knowledge and skills and help shape productive and thoughtful citizens. It is a challenging job and the Council, through our work, helps support this by promoting the teacher profession. We do this in many ways such as working with teachers to set the professional code and standards and tackling important issues such as racism, lobbying government, developing policy and acting as a catalyst and connector in the area of educational leadership.

A notable feature of the Council's work is with stakeholders, and I want to thank them for their support. We work closely with a number of stakeholder groups, including iwi, unions, universities, government departments, knowledge experts and others who are keen to contribute to the work of the Council. This collaborative approach gives us a sector wide view and approach to the education landscape and enables us to understand the different groups and how they work in their individual areas and as a collective. The willingness of our many stakeholders to contribute to our work programme also greatly enhances the quality of our work and the positive impact we are seeking on behalf of the profession.



Our effectiveness is also in great part thanks to the work of kaimahi at the Council, and I am grateful for their commitment, drive and vision and for consistently working to deliver on our promises.

Our 2022-23 annual report and accounts demonstrate our continued efforts and commitment to ensuring the Council is working hard for the benefit of the profession.

I invite you to read this annual report to more fully understand the work accomplished by Matatū Aotearoa | Teaching Council in the last year. Work that benefits the teaching profession, enhances its mana, and provides leadership to the profession.

Nāku iti noa, nā

A handwritten signature in cursive script that reads "Robyn J. Baker".

Robyn Baker
Te Pou Whakarae | Governing Council Chair
Teaching Council of Aotearoa New Zealand

Message from our Chief Executive

Kia ora koutou katoa,

In early 2023 we undertook research with teachers to better understand how they currently feel about teaching and the teaching profession.

Teachers clearly told us they feel underpaid, undervalued, and undermined, despite recent moves to address uncompetitive teacher salaries and other initiatives designed to boost teacher supply.

Recent improvements to teacher pay and conditions are welcomed by the Teaching Council but are not in themselves the 'silver bullet' to lift the status of teaching as a profession in Aotearoa New Zealand in the long-term.

It will take a combined all-of-education-sector response from government, education agencies, teacher unions, principal groups, and teachers themselves to address the three key findings in this research of teachers feeling underpaid, undervalued, and undermined.

Until solutions to address all three key areas can be developed, teaching in New Zealand will continue to be a profession that is unable to fully meet the needs of our learners, whānau, and society.

You can read more about the research findings and what actions the Teaching Council is planning here:

<https://teachingcouncil.nz/assets/Files/Publications/Snapshot-of-the-teaching-profession-2023.pdf>

I am pleased to be able to highlight in this report the significant progress that the Council has made in conjunction with teachers and other stakeholders on key initiatives that were designed to support and grow the mana of teachers including Rauhuia | Leadership Space, improving the quality and diversity of Initial Teacher Education (ITE) graduates, and transforming dated and inflexible professional responsibility processes so that they are fairer and more culturally responsive for all.



For me personally and professionally it was a privilege to be able to participate in the work of the Royal Commission of Inquiry into Abuse in Care and to chart the significant progress made by Matatū Aotearoa | Teaching Council and its predecessors in protecting vulnerable children and young people in educational settings.

There remains a lot of work to be done to address some of the failings highlighted by the Royal Commission to date, and I am absolutely committed to leading the work that the Council can do to address improvements following the release of the Commission's findings.

A handwritten signature in black ink, appearing to read 'L. Hoskin', with a long horizontal line extending to the right.

Lesley Hoskin

Tumu Whakarae | Chief Executive
Teaching Council of Aotearoa New Zealand

Progress against our strategic plan – key highlights

Rauhuia Highlights

Rauhuia aims to support all teachers to develop their leadership capability. Teachers are leaders in their own right; teachers can grow their skills, knowledge, and confidence as leaders within the communities they serve. Funding for Rauhuia initiatives is provided by government not teachers.

During the year we delivered the Rauhuia Terenga Huihuinga | Symposia series which aimed to introduce leadership perspectives, concepts, and contexts to the profession. The symposia were designed to be a brief introduction to a leadership context and a conversation starter for the profession. We have curated the presentations from the symposia to enable conversations to continue in schools, kura or centres, developing leadership capability at place.

The theme of the first set of symposia was Mana Oranga - Well-being. This aligned with the Leadership Capability Framework which highlights the need for leaders to actively attend to their own well-being. The series consisted of four symposia with presentations from teachers, academics, and community leaders, on the following topics:

- Tino Rangatiratanga me te Mana Motuhake - Leaders make decisions about how to flourish in their context. Individual and community rights, professional, personal cultural and spiritual identities are protected.
- Whanaungatanga me te Aroha - Leaders have access to the skills, resources, and support to navigate transitions, challenges, and change in ways that sustain well-being and build resilience.
- Ngā Tūmanako me te Ngākaupai - Leaders have a sense of purpose and are hopeful for the future. Leaders make decisions with their communities and trust them to determine the future.
- Wairuatanga me te Manawaora - Leaders are valued for who they are. Leaders are connected to communities and the unique contexts they live and work in.

In total the Mana Oranga – Well-being symposia reached 810 teachers throughout Aotearoa New Zealand, across education sectors. Recordings of the symposia are available on the Teaching Council website.

A learning and measurement framework for Rauhuia was also developed in conjunction with key stakeholders to support decision-making around leadership actions and evaluation.

We continue to work towards developing a leadership micro-credential related to understanding mana.

Professional Growth Cycle (PGC) Highlights

Ahead of its introduction from February 2023 we delivered a significant number of face-to-face and online workshops to support the implementation of the PGC for professional leaders, with more than 800 New Zealand Principals' Federation (NZPF) members registering for one of these workshops delivered in September 2022. In total we delivered 30 workshops and 17 online events with 1,800 attendees.

The Council also developed a range of support documentation including FAQs and videos for Boards and ECE employers, Endorser Guidelines, and a guide for leaders and boards/employers regarding the 'professional network of colleagues'. These resources have proved popular.

Professional Responsibility Highlights

As a result of lobbying government for changes to the Education and Training Act to alter the threshold for referrals from the Complaints Assessment Committee (CAC) to the New Zealand Teachers Disciplinary Tribunal (NZDT), the Education and Training Amendment Act 2022 gained Royal Assent on 29 July 2022.

The Act provided the Council with a period of one year in which to consult and operationalise key strategic objectives for our conduct and competence processes including integrating the values of the teaching profession, giving mana to the voice of kaiako and protecting the mana of all involved parties, embedding tikanga Māori, enhancing natural justice principles, and allowing a restorative and rehabilitative approach.

Nine hui were held with key stakeholders between October 2022 and February 2023 to support the development of amended rules which were the subject of formal consultation with the profession in March and April 2023. The hui included one- and two-day workshops, and online sessions with representatives from key stakeholder groups within the education sector. The amended rules were gazetted on 26 June 2023 and took effect from 29 July 2023.

Initial Teacher Education Improvement Highlights

A total of 94 ITE programmes have now been approved under the 2019 ITE requirements, with the first new graduates from all new one-year programmes entering the teaching workforce progressively from 2021 and new graduates from three-year programmes progressively from 2023.

External monitoring of the new programmes between 2021-2023 (inclusive) indicates that ITE providers have made good progress embedding the key aspects of the new programmes; minor exceptions to this pattern have been attributable to the workplace demands currently being experienced by ECE centres, schools and kura. Both ITE providers and their professional partners have voiced satisfaction with the workplace readiness of graduates from these new programmes.

We also progressed the development of a new ITE monitoring, review, and moderation framework and delivered nine ITE focused symposia.

Sustainability Highlights

Since we made the move to our online application system, Hapori Matatū, together with the help of teachers we've eliminated the equivalent of 130,000 envelopes and nearly 1 million pages of A4 paper which equates to collectively reducing our carbon footprint by around 60,000 kg of CO₂.

Royal Commission of Inquiry into Abuse in Care

The Teaching Council provided extensive information to the Royal Commission of Inquiry into Abuse in Care relating to the commitment to Te Tiriti o Waitangi, changes to legislation and policies relating to registration and certification, and conduct of teachers, inter-agency relationships for sharing information about allegations of abuse by teachers, monitoring teachers who have conditions associated with their practising certificates, reporting obligations of institutions, how we interact with teachers who are the subject of complaints, and data and information gathering.

The Chair and the Chief Executive attended the inquiry in person to answer questions from the Royal Commission in August 2022.

An update to the Royal Commission in August 2023 reported on changes made to the Council's policies and processes including a review and publishing of amended Teaching Council Rules 2016, the signing of an MoU with the Education Review Office (ERO), the publishing of websites for the Complaints Assessment Committee and Disciplinary Tribunal, and the transition to a new information management system for professional disciplinary and competence evaluation matters.

Cost recovery reporting

The Teaching Council set a new Fees and the Levy in July 2022 based on its actual and reasonable costs estimated across a three-year period. At the end of the first year of the three-year Fee and Levy setting period, the Council remains well on track with a variance of just 2.3% to date.¹

	2022/23 Estimate	2022/23 Actual	Δ %	2023/24 Estimate	2024/25 Estimate
Practising Certificate revenue ²	\$15.740m	\$14.828m	-5.8%	\$17.940m	\$16.180m
Professional Responsibility Cost Recoveries	\$0.150m	\$0.174m	+13.3%	\$0.150m	\$0.150m
ITE Recoveries	\$0.333m	\$0.151m	-54.5%	\$0.333m	\$0.333m
Crown Funding	\$1.348m	\$1.854m	+37.5%	\$1.348m	\$1.348m
Interest / Other Sundry Rev.	\$0.040m	\$0.314m	+685%	\$0.040m	\$0.040m
Total Revenue	\$17.611m	\$17.321m	-1.7%	\$19.812m	\$18.051m
Total Expenditure	\$18.310m	\$18.036m	-3.1%	\$18.454m	\$18.709m
Surplus / (Deficit)	(\$0.699m)	(\$0.715m)	-2.3%	\$1.358m	(\$0.658m)
Cumulative Surplus/(Deficit)	(\$0.699m)	(\$0.715m)	-2.3%	\$0.659m	\$0.001m

Committed savings reporting

As part of setting new fees and the Levy, Council committed to making \$2.76 million in savings over a 3-year period.

Savings	2022/23 Savings Target	2022/23 Savings Actual	Δ %	2023/24 Savings Target	2024/25 Savings Target	Total Savings Target
System Improvements & Strategic Projects	250,000	250,000	100%	250,000	250,000	750,000
Travel Expense Reduction	118,333	111,798	94%	118,333	119,333	355,999
Staff Vacancies	161,507	914,650 ³	566%	236,507	236,507	634,521
Other Savings Initiatives	140,000	Nil	-	190,000	290,000	620,000
Total	669,840	1,276,448	191%	794,840	895,840	2,360,520
Extra ITE Revenue	133,333	Nil	0%	133,333	133,333	400,000
Total Savings & Revenue	803,173	1,276,448⁴	159%	928,173	1,029,173	2,760,520

¹ There are minor differences between the estimate for 2022/23 used for calculating the required fees and levy and the budget shown in the financial statements. This information was prepared in October/November 2021 prior to consultation on new fees and levy whereas the budget was prepared and approved by the Governing Council in May/June 2022.

² Lower fees and levy revenue is due to new fees and levy not commencing until 11 July rather than 1 July and the agreement by Governing Council to return any overlap of levy paid by teachers moving from provisional to full certification.

³ Difficulties recruiting specialist staff in a tight labour market resulted in the average time taken to fill vacancies taking longer than anticipated.

⁴ In May 2023, Governing Council agreed that additional savings could be used to offset savings targeted for 2023/24 and 2024/25.

Our performance: 2022-23 in numbers

112,414: The year saw the number of registered teachers with a current practising certificate or people holding a LAT grow by 2,973 (2.7%).

Registration, certification, and service performance

Measure	Target	FY2023 Result	Notes
# New teacher registrations	Report actual	4,968	As expected.
# Finalised applications	Report actual	38,724	As expected.
# of teachers moved to full certification	Report actual	4,784	As expected.
# Applications completed within 5 working days	65%	67%	Exceeded.
# Calls and emails received by our contact centre	Report actual	105,569	As expected.
% Calls answered	Report actual	45%	Working towards. 2023 saw a significant increase in call duration and complexity which led to fewer calls being answered (2022: 52%)
Average call wait time	Report actual	9m 26s	Working towards. 2023 saw a significant increase in call duration and complexity which led to longer wait times (2022: 4m 42s).
% Teachers who are satisfied with the service they received from our registration team	75%	66% ⁵	Working towards. (2022: 70%)
% Applicants who are satisfied with the application experience in Hapori Matatū	65%	60% ⁶	Working towards. (2022: 59%)

Conduct processes

Measure	Target	FY2023 Result	Notes
# and % of complaints, mandatory reports, and self-reports received	Report actual	462 (0.4%) ⁷	2023 saw a significant reduction in the volume of mandatory reports arising from Public Health Orders relating to COVID-19 (2022: 638)
# and % of registrations cancelled	Report actual	27 (0.02%)	
# and % of practising certificates cancelled	Report actual	0 (0.00%)	
# and % of teachers on conditions	Report actual	62 (0.06%)	The number of teachers placed on conditions as a result of investigating a complaint or mandatory report increased compared to last year (2022: 59)
% Cases resolved in Triage that are resolved within 2 months of commencement of Triage	50%	44%	Working towards. (2022: 49%)

⁵ Source: Registration Pulse Survey, 01 July 2022 to 30 June 2023, n=1,320

⁶ Source: Pulse Survey, 01 July 2022 to 30 June 2023, n=1,294

⁷ # complaints, mandatory reports, and self-reports divided by the number of teachers holding a current practising certificate as at 30 June 2023

% Outcomes of referrals to the Complaints Assessment Committee that are reached within 8 months of the referral to the Committee (excluding those referred to an external process – police, courts etc.)	50%	93%	Exceeded. (2022: 66%)
% Outcomes of referrals to the Disciplinary Tribunal that are reached within 8 months of the referral to the Disciplinary Tribunal	75%	26%	Not met (2022: 50%)

Competence processes

Measure	Target	FY2023 Result	Notes
% Outcomes of referrals to the competence processes that are reached within 10 months of the referral to the Council	90%	42%	Not met (2022: 48%)
% Outcomes of referrals to the Competence Authority that are reached within 6 months of the referral to the Competence Authority	Establish baseline	75%	

Other measures

Measure	Target	FY2023 Result	Notes
# OIA Requests responded to	Report actual	112	2022: 101
% Teachers who agreed the Council added value to their role as a teacher	61%	41% ⁸	Working towards. (2022: 39%)
# Professional Growth Cycle seminars / webinars for Tumuaki / Principals and # participants	Report actual	48 events with 1,800 participants	
# Teachers who downloaded the Unteach Racism app or interacted with the online content	Report actual	App: 5,300 users with an average engagement of 8m 18s	

⁸ Source: Pulse Survey 01 July 2022 to 30 June 2023, n=1,684

Statement of responsibility

We are responsible for the preparation of the Council's financial statements and for the judgements made in them.

We are responsible for any end-of-year performance information provided by the Council under section 19A of the Public Finance Act 1989.

We have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In our opinion, the financial statements for the year ended 30 June 2023 fairly reflect the financial position, the results of operations, the cash flows and the performance information for an appropriation.

Signed for and on behalf of the Teaching Council of Aotearoa New Zealand:



Robyn Baker
Te Pou Whakarae | Governing Council Chair
Teaching Council of Aotearoa New Zealand
30 November 2023



Hongyu (Carol) Cheng
Risk, Audit and Finance Committee Chair
Teaching Council of Aotearoa New Zealand
30 November 2023

Statement of Comprehensive Revenue and Expenses

Teaching Council of Aotearoa New Zealand
For the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
Revenue from non-exchange transactions				
Grant revenue – operating grant ⁹		1,854	1,528	6,842
Late processing fees		141	122	332
Processing fees		3,677	3,917	6,547
Limited Authority to Teach processing fees		80	58	131
Provisional/Subject to Confirmation processing fees		683	673	1,255
Discipline recovered		174	153	218
Overseas teachers processing fees		159	87	80
Teacher Application Levies		10,088	10,883	-
Revenue from exchange transactions				
Teacher education approvals		151	316	285
Other operating revenue		14	-	29
Finance revenue		300	160	78
Total revenue		17,321	17,897	15,797
Expenses				
Employee costs	2	10,640	11,338	10,935
Depreciation & amortisation expense	6, 7	399	403	399
Other operating expenses	3	5,813	5,774	5,178
Teaching Council projects	17	1,184	795	882
Total expenses		18,036	18,310	17,394
Total surplus/(deficit) for the year		(715)	(413)	(1,597)
Other comprehensive revenue and expenses				
Other comprehensive revenue		-	-	-
Total comprehensive revenue and expense for the year		(715)	(413)	(1,597)

Explanations of significant variances against budget are provided in note 18.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

⁹ Operating grant revenue from the Crown includes temporary financial support for the Council while a sustainable financial operating model is put in place, which was expected from July 2020, but was delayed until July 2022.

Statement of Changes in Net Assets/Equity

Teaching Council of Aotearoa New Zealand
for the year ended 30 June 2023

	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
Opening balance 1 July	9,580	8,903	11,177
Surplus/(deficit) for the year	(715)	(413)	(1,597)
Other comprehensive revenue	-	-	-
Total comprehensive revenue and expense for the year	<u>(715)</u>	<u>(413)</u>	<u>(1,597)</u>
Closing equity 30 June	<u>8,865</u>	<u>8,490</u>	<u>9,580</u>

Explanations of significant variances against budget are provided in note 18.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Statement of Financial Position

Teaching Council of Aotearoa New Zealand
as at 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
Current assets				
Cash and cash equivalents	4	4,384	8,422	8,582
Short term investments	5	3,827	-	-
Receivables from non-exchange transactions	8	1,038	954	1,006
		<u>9,249</u>	<u>9,376</u>	<u>9,588</u>
Non-current assets				
Intangible assets	7	131	199	199
Property, plant, and equipment	6	1,582	1,555	1,569
		<u>1,713</u>	<u>1,754</u>	<u>1,768</u>
Total assets		<u>10,962</u>	<u>11,130</u>	<u>11,356</u>
Current liabilities				
Deferred lease liability		36	67	36
Trade & other payables	9	1,231	1,772	917
Employee entitlements	10	625	627	581
		<u>1,892</u>	<u>2,466</u>	<u>1,534</u>
Non-current liabilities				
Deferred lease liability		205	174	242
		<u>205</u>	<u>174</u>	<u>242</u>
Total liabilities		<u>2,097</u>	<u>2,640</u>	<u>1,776</u>
Net assets/equity		<u>8,865</u>	<u>8,490</u>	<u>9,580</u>
Equity				
Retained earnings		8,865	8,490	9,580
Total net assets/equity attributable to the owners of the controlling entity		<u>8,865</u>	<u>8,490</u>	<u>9,580</u>

Explanations of significant variances against budget are provided in note 18.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Cash Flow Statement

Teaching Council of Aotearoa New Zealand
for the year ended 30 June 2023

	Notes	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$'000
Cash flows from operating activities				
<i>Receipts</i>				
Fees, Levies, and grants received		17,122	17,268	15,931
Other operating revenue		166	469	29
Finance revenue		248	159	73
		<u>17,536</u>	<u>17,896</u>	<u>16,033</u>
<i>Payments</i>				
Payments to suppliers		(7,087)	(6,442)	(6,402)
Payments to employees		(10,596)	(11,455)	(10,867)
Net GST paid		143	230	142
		<u>(17,540)</u>	<u>(17,667)</u>	<u>(17,127)</u>
Net cash flows from operating activities		(4)	229	(1,094)
Cash flows from investing activities				
<i>Receipts</i>				
Sale of investments		-	-	1,006
		<u>-</u>	<u>-</u>	<u>1,006</u>
<i>Payments</i>				
Purchase of property, plant and equipment		(316)	(389)	(999)
Purchase of intangible assets		(51)	-	-
Purchase of Investments		(3,827)		
		<u>(4,194)</u>	<u>(389)</u>	<u>(999)</u>
Net cash flows from investing activities		(4,194)	(389)	7
Net increase in cash and cash equivalents		(4,198)	(160)	(1,087)
Cash and cash equivalents at 1 July		8,582	8,582	9,669
Cash and cash equivalents at 30 June		4,384	8,422	8,582

Explanations of significant variances against budget are provided in note 18.

The above statements should be read in conjunction with the notes to and forming part of the financial statements.

Notes to the financial statements

Teaching Council of Aotearoa New Zealand
For the Year ended 30 June 2023

1. Statement of accounting policies and reporting entity

The reporting entity is the Teaching Council of Aotearoa New Zealand (the “Council”). The Council is domiciled in New Zealand and was established by the Education Act 1989 as the Education Council of Aotearoa New Zealand. On 25 September 2018 the Council was renamed to Teaching Council of Aotearoa New Zealand. The Council is an independent statutory body. The Council is also a registered charity under the Charities Act 2005.

These financial statements and the accompanying notes summarise the financial results of activities carried out by the Council. The Council’s primary objective is to provide public services, as opposed to making a financial return.

The financial statements have been prepared on a going concern basis.

The Financial Statements are for the year ended 30 June 2023 and approved by the Board on 30 November 2023.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (“NZ GAAP”). They comply with Public Benefit Entity International Public Sector Accounting Standards (“PBE IPSAS”) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board for Public Sector entities. For the purposes of complying with NZ GAAP, the Council is a public benefit public sector entity and is eligible to apply Tier 2 Public Sector PBE IPSAS on the basis that it does not have public accountability and it is not defined as large. This is due to the Council’s expenditure being less than \$30m.

The board members of the Council have elected to report in accordance with Tier 2 Public Sector PBE Accounting Standards and in doing so has taken advantage of all applicable Reduced Disclosure Regime (“RDR”) disclosure concessions.

Summary of accounting policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently, in these financial statements.

Basis of measurement

The financial statements have been prepared on the basis of historical cost.

Functional and presentational currency

The financial statements are presented in New Zealand dollars (\$), which is the Council’s functional currency. All financial information presented in New Zealand dollars has been rounded to the nearest thousand dollars.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Council and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria must be met before revenue is recognised.

Revenue from non-exchange transactions

Ministry of Education grant revenue

Grant revenue with no conditions attached is recognised when earned.

Late fees revenue

Late fee revenue is only earned when an application is received late from a teacher. It is a penalty imposed by the Council.

Processing fees

All application revenue processing fees are recognised as revenue as they are received. There is no ongoing liability or a fair exchange of value in these fees.

Levies revenue

All levy revenue is recognised as revenue when it is received. There is no ongoing liability or a fair exchange of value in these levies.

Revenue from exchange transactions

Finance revenue

Interest revenue is recognised using the effective interest method.

Other revenue

All other revenue from exchange transactions is recognised when earned and is reported in the financial period to which it relates.

Financial instruments

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions of the financial instrument.

The Council derecognises a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or the Council has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

- the Council has transferred substantially all the risks and rewards of the asset; or
- the Council has neither transferred nor retained substantially all the risks and rewards of the asset; but has transferred control of the asset.

Financial assets

Financial assets within the scope of PBE IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classifications of the financial assets are determined at initial recognition.

The category determines subsequent measurement and whether any resulting revenue and expense is recognised in surplus or deficit or in other comprehensive revenue and expenses. The Council's financial assets are classified as loans and receivables. The Council's financial assets include cash and cash equivalents, short-term deposits, receivables from non-exchange transactions, receivables from exchange transactions and investments.

All financial assets are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest method, less any allowance for impairment.

Impairment of financial assets

The Council assesses at the end of reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced using an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, the Council first assesses whether there is objective evidence of impairment for financial assets that are individually significant, and individually or collectively significant for financial assets that are not individually significant. If the Council determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

Cash and cash equivalents

Cash and cash equivalents represent highly liquid investments that are readily convertible to known amounts of cash and with an insignificant risk of changes in value, with maturities of three months or less.

Short term investments

Short term investments comprise term deposits which have a term of greater than three months and therefore do not fall into the category of cash and cash equivalents.

Property, plant, and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Depreciation is recognised in the surplus or deficit on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- | | | |
|-----------------------|-------------|-------------|
| • Computer Equipment | 33.3% | 3 years |
| • Office Equipment | 20.0% - 50% | 2 - 5 years |
| • Office Fit-Out | 11.1% - 33% | 3 - 9 years |
| • Fixtures & fittings | 6.7% | 15 years |

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits or service potential embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in surplus or deficit as the expense category that is consistent with the function of the intangible assets.

The Council does not hold any intangible assets that have an indefinite useful life.

The amortisation periods for the Council's intangible assets are as follows:

- Acquired software 3 years

Financial liabilities

The Council's financial liabilities include trade and other creditors, and employee entitlements.

All financial liabilities are initially recognised at fair value (plus transaction cost for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method except for financial liabilities at fair value through surplus or deficit in the statement of comprehensive revenue and expenses.

Loans

Loans are financial liabilities with fixed or determinable payments that are not quoted in an active market. These are measured at amortised cost using the effective interest method, less any allowance for impairment.

Operating leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Employee benefits

Liabilities for wages and salaries, annual leave and accumulated sick leave are recognised in the surplus or deficit during the period in which the employee provided the related services. Liabilities for the associated benefits are measured at the amounts expected to be paid when the liabilities are settled.

Equity

Equity is the public's interest in the Council, measured as the difference between total assets and total liabilities. Equity is made up of the following component:

Accumulated comprehensive revenue and expense is the Council's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

Goods and services tax

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as an input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of the receivables or payables in the statement of financial position.

The net GST paid to, or received from, the IRD, including GST relating to investing and financing activities, is classified as net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Council is a registered charitable trust in terms of the Income Tax Act 2007 and consequently the Council is exempt from income tax.

Significant accounting judgements, estimates, and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets, and liabilities. Actual results may differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In applying the relevant accounting policies, management have made judgements that would have a significant impact on the financial statements in relation to the treatment of operating lease and cloud computing arrangements not to be in intangible assets.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a potential risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Council based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Council. Such changes are reflected in the assumptions when they occur.

Useful lives and residual values

The estimated useful lives and residual values of assets are assessed using the following indicators to determine potential future use and value from disposal:

- The condition of the asset.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

The estimated useful lives of the asset classes held by the Council are listed above.

2. Employee costs

	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
Wages & salaries	9,214	9,938	9,105
Temporary staff	842	667	1,278
Superannuation/KiwiSaver employer contribution	257	295	258
Staff professional development	153	236	99
Other employee costs (ACC, payroll fees, recruitment etc.)	174	202	195
Total employee costs	10,640	11,338	10,935

Explanations of significant variances against budget are provided in note 18

3. Other operating expenses

	2023 Actual \$'000	2023 Budget \$'000	2022 Actual \$'000
Administrative	942	932	959
Write-down of Software as a Service Assets	-	-	4
Audit fees for audit of financial statements	49	48	46
Professional/consultancy fees	314	330	345
Legal fees	1,369	1,076	1,187
Staff and Board members travel expenses	311	470	129
Computer expenses	1,495	1,445	1,166
Advisory committees	(7)	21	7
Board Member fees	152	192	255
CA/DT/Impairment ¹⁰ (excluding legal fees)	359	352	208
CAC panels ¹¹ (excluding legal fees)	225	260	232
Rent	588	588	652
Doubtful debts/bad debts	16	60	(12)
Total other operating expenses	5,813	5,774	5,178

Explanations of significant variances against budget are provided in note 18.

4. Cash and cash equivalents

Cash and cash equivalents include the following components:

	Actual 2023 \$'000	Actual 2022 \$'000
Cash at bank	934	792
Term deposits with maturities of 3 months or less	3,450	7,790
Total cash and cash equivalents	4,384	8,582

Bank of New Zealand has issued a letter of credit to payroll support service provider for \$500,000 on behalf of the Council.

5. Short-term investments

Short-term investments are term deposits with a term greater than 3 months.

	Actual 2023 \$'000	Actual 2022 \$'000
Term deposits with maturities greater than 3 months and less than 12 months	3,827	-
Total short-term investments	3,827	-

¹⁰ CA = Competence Authority, DT = Disciplinary Tribunal, Impairment Committee

¹¹ CAC = Complaints Assessment Committee

6. Property, plant, and equipment

2023						
	Computer equipment \$'000	Office equipment \$'000	Office fit-out \$'000	Fixtures & fittings \$'000	Work in progress \$'000	Total \$'000
Cost	497	141	1,179	627	-	2,444
Accumulated depreciation	(293)	(73)	(231)	(265)		(862)
Net book value	204	68	948	362	-	1,582
2022						
	Computer equipment \$'000	Office equipment \$'000	Office fit-out \$'000	Fixtures & fittings \$'000	Work in progress \$'000	Total \$'000
Cost	818	228	2,073	808	46	3,973
Accumulated depreciation	(703)	(179)	(1,117)	(405)		(2,404)
Net book value	115	49	956	403	46	1,569

Reconciliation of the carrying amount at the beginning and end of the period:

2023						
	Computer equipment \$'000	Office equipment \$'000	Office fit-out \$'000	Fixtures & fittings \$'000	Work in progress \$'000	Total \$'000
Opening balance	115	49	956	403	46	1,569
Additions	174	43	118	25		360
Disposals/Tfer to assets	(1)	-	(1)	(21)	(46)	(69)
Depreciation	(84)	(24)	(125)	(45)		(278)
Closing balance	204	68	948	362	-	1,582

7. Intangible assets

2023		
	Acquired software \$'000	Total \$'000
Cost	1,426	1,426
Acquisitions	53	53
Disposals	(981)	(981)
Accumulated amortisation	(367)	(367)
Net book value	131	131
2022		
	Acquired software \$'000	Total \$'000
Cost	1,426	1,426
Accumulated amortisation	(1,227)	(1,227)
Net book value	199	199

Reconciliation of the carrying amount at the beginning and end of the period:

2023	Acquired software \$'000	Total \$'000
Opening balance	199	199
Additions	53	53
Disposals	-	-
Amortisation	(121)	(121)
Closing balance	131	131

8. Receivables from non-exchange transactions

	2023 \$'000	2022 \$'000
Prepayments	388	383
Accrued Income	106	96
Net Debtors ¹²	544	527
Total receivables from non-exchange transactions	1,038	1,006

9. Trade and other payables

	2023 \$'000	2022 \$'000
Trade payables	486	158
GST payable	161	19
Levy overlap payable	261	-
Other non-trade payables & accrued expenses	323	740
Total trade and other payables	1,231	917

Trade payables and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value and other payables approximate their fair value.

10. Employee entitlements

	2023 \$'000	2022 \$'000
Accrual of salaries/superannuation	114	101
Liability for annual/lieu leave	497	468
Accrual for sick leave	14	12
Total employee entitlements	625	581

¹² Includes allowance for credit losses \$340 (2022 \$324)

11. Leases

As at the reporting date, the Council has entered into the following operating lease commitments:

	2023 \$'000	2022 \$'000
No later than one year	623	623
Later than one year and no later than five years	2,491	2,491
Later than 5 years	1,193	1,868
Total leases	4,307	4,982

Deferred lease liability

The deferred lease liability represents the building owner's contribution and rent holiday provided to the Council upon taking up the lease for its premises at 7 Waterloo Quay, Wellington. These contributions will be fully amortised by the expiry of the lease. This has been recorded as both current and long-term liabilities to show the amortisation over the duration of the building lease agreement.

12. Related party transactions

The Council is an independent statutory body and registered charity.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent within normal operating arrangements between government agencies and undertaken on normal terms and conditions of such transactions.

Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body of the Council (which comprises the Council Members) and the leadership team (employees). The following remuneration is paid to the Council Members:

Governing Council Members Remuneration	2023 \$'000	2022 \$'000
Robyn Baker (appointed from 1 July 2022)	37	-
Nicola Ngarewa (retired 30 June 2022)	(8)	26
Spotswood College (N Ngarewa)	-	6
Total Chair remuneration	29	32
Governing Council Members		
Clare Wells (retired 30 June 22)	(4)	32
Te Whata Tau o Patauaki (Ripeka Lessels) (retired 30 June 2022, reappointed 1 July 2022)	4	15
BDO Christchurch (M Rondel- Chair Risk, Audit and Finance) (retired 30 June 2022)	(2)	17
Lorraine Carr (retired 30 June 2022 re-elected from 1 July 2022)	11	19
Patrick Newman (retired 30 June 2022, re-elected from 1 July 2022)	17	23
Hora Hora School (P Newman)	1	4
Dagmar Dyck (retired 30 June 2022, re-appointed from 1 July 2022)	9	13
Sylvia Park School (D Dyck)	-	2

Clair Edgeler (retired 30 June 2022)	(10)	2
Anna McKinnon (retired December 2020)	-	(4)
Frian Wadia (retired 30 June 2022)	(2)	17
Philippa Woodward (retired 30 June 2022)	(4)	14
Otumoetai College (P Woodward)	2	6
Dr Jenny Richie (retired 30 June 2022)	(1)	9
Patrick Walsh (retired 30 June 2022, re-elected from 1 July 2022)	11	27
Elg Anderson (retired 30 June 2022, re-elected 1 July 2022)	10	27
Hong Consulting (Carol Cheng) (appointed from 1 July 2022)	15	-
John Tait (appointed from 1 July 2022)	6	-
Kaikoura High School (John Tait) (appointed from 1 July 2022)	9	-
KDC & Associates (Karen Coutts) (appointed from 1 July 2022)	11	-
The University of Auckland (Fiona Ell) (elected from 1 July 2022)	11	-
Melody Stuckey (elected from 1 July 2022)	14	-
Michael Connor (elected from 1 July 2022)	15	-
Total Governing Council Members (excluding the Chair)	123	223
Total Governing Council Members Fees	152	255
Number of full-time equivalents*	1.0	1.0

* Estimated

There are several Governing Council members whose daily meeting fee is paid directly to their school, centre or organisation. These members are being paid by their institutions and appropriately do not accept a payment for services to the Council.

There have been no payments made to committee members appointed by the Governing Council who are not members during the financial year.

The Governing Council had trustees' liability and professional indemnity insurance in place during the financial year in respect of the liability or costs of members and employees.

Fees Schedule for Governing Council Members

Governing Council Members	Daily meeting rate	Preparation fee rate
Chair	\$900	\$450.00
Deputy Chair	\$875	\$437.50
Member	\$700	\$350.00

No members received compensation or other benefits in relation to cessation.

The aggregate key management personnel compensation includes the remuneration for the Chief Executive, three Deputy Chief Executives and nine Tier 3 Managers (2022: 12 staff) as well as the value of compensation or other benefits paid to key management personnel in relation to cessation. The aggregate includes contracted management in fixed term positions. Remuneration for managers is set through a position sizing exercise undertaken by an independent job evaluation agency.

	2023	2022
	\$'000	\$'000
Key management personnel remuneration	2,627	2,537
	FTE	FTE
Number of persons	12	12

13. Categories of financial assets and liabilities

The early adoption of PBE IFRS 9 superseded by IPSAS 41 Financial Instruments has resulted in some changes to the recognition and measurement of financial assets and financial liabilities for financial statements prepared for periods beginning on or after 1 January 2019.

Cash and cash equivalents, and trade and other receivables were previously designated as amortised cost in 2018/19. There are no changes in the designation of these financial assets for the Council in 2019/20 arising from the implementation of PBE IPSAS 41.

In adopting this standard, The Council has applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised costs (such as trade and other receivables). This has resulted in greater judgement due to the need to factor in forward looking information when estimating the appropriate amount of impairment. The adoption of PBE IPSAS 41 has had no material impact on the financial statements and comparative figures have not been restated.

The carrying amounts of financial assets and financial liabilities in each of the financial instrument categories are as follows:

	2023 \$'000	2022 \$'000
Financial assets		
<i>Receivables at amortized cost</i>		
Cash and cash equivalents	4,384	8,582
Short term investments	3,827	-
Receivables from non-exchange transactions	1,038	1,006
Total financial assets	9,249	9,588
Financial liabilities		
<i>At amortised cost</i>		
Trade and other creditors	1,231	917
Employee entitlements	625	581
Total financial liabilities	1,856	1,498

14. Capital and Operating commitments

The Council had Statements of work totalling Nil (2022: \$591,000) signed as at 30 June 2023 for work commenced during 2023 but not completing until 2024.

The Council had no capital commitments at the reporting date. (2022: Nil).

15. Contingent assets and liabilities

The Council presently has cases with the Disciplinary Tribunal which may lead to contingent liabilities Nil (2022: Nil). These liabilities may arise should a teacher appeal to a higher court the decision of the New Zealand Teachers Disciplinary Tribunal.

There are no contingent assets at reporting date. (2022: Nil)

16. Events after the reporting date

The Governing Council approved to return the overlap of the levy to those Teachers who have moved from Tomua/Provisional or Pumau/STC to Tuturu/Full Certification in September 2023. The Council recognised the relevant liability related to the overlap of the levy as at 30 June 2023. There are no other events after the reporting date which require disclosure (2022: Nil)

17. Teaching Council projects

The Council worked on the following projects:

Project operating expenditure	Actual 2023 \$'000	Budget 2023 \$'000	Actual 2022 \$,000
Initial Teacher Education (ITE)	14	20	1
Unteach Racism	-	-	6
Governing Council Election	-	-	70
Fees Consultation	-	-	345
Professional Growth Cycle	-	-	77
New Accommodation	-	-	53
Salesforce Registration 2.0	-	-	60
Data Driven Teacher Engagement	57	22	85
Chat Bot Implementation	62	(8)	26
Hapori Matatū UX Review	-	-	96
Professional Responsibility Process Design	388	209	39
Hapori Matatū Teacher Usability	220	30	-
Managed Firewall	-	-	14
Competency Review Process	6	12	7
Professional Responsibility Review	123	125	-
Rauhuia	-	-	3
Stakeholders Marketing & Communications	158	175	-
Te Tiriti Pacific People Strategy	56	34	-
Mandatory Reporting Improvements	30	40	-
FMIS Upgrade	70	70	-
Unallocated Projects Budget	-	66	-
Total Operational Projects	1,184	795	882

18. Explanation of significant variances from budget

Net surplus/(deficit)

- The Council's deficit of \$0.715m was higher than the budgeted deficit of \$0.413m by \$0.302m. The key revenue and expenditure variances are detailed below.

Revenue (under budget \$0.576m)

- External Grants were over budget by \$0.326m. The extra grants were related to a MoU with the Ministry of Education for expediting approvals of applications for overseas teacher applicants and Limited Authority to Teach..
- Processing fees were lower than budget by \$0.240m, which was largely due to the delay in implementing the new fee and levy to the 11 July 2022.
- Teacher Application Levies were lower than the budget by \$0.795m. There were fewer Tutaru | Renewal of Practicing Certificate than expected.
- Interest revenue was over by \$0.140m driven by better interest rates than expected.
- Teacher education approvals was under budget by \$0.165m. There were less ITE programme approvals than expected. The budget also anticipated additional recoveries from ITE institutions that were not previously charged for, which was delayed.

Expenditure (under budget \$0.274m)

- Employee costs (\$0.698m under budget). Vacant positions were covered by temporary staff. Staff professional development was under budget by \$0.083m as programmes had to be rescheduled to meet staff/providers' availability and Performance commitments.
- Other operating expenses (\$0.039m over budget).

- Legal fees were over budget by \$0.293m. The budget anticipated a reduction in legal fees compared to prior years; however, a combination of vacancies in the in-house legal team and the size / complexity of disciplinary cases resulted in greater use of external legal services.
- Staff and board member travel expenses were under budget by \$0.159m. Fewer Committee meetings were held than in previous years.

Statement of Financial Position – Net Assets/Equity (over budget \$0.370m)

- The value of actual net assets is greater than the budgeted value by \$0.370m, which is due to the model used to set the budget over-estimating the opening balance of trade payables and accruals.

Statement of Cash Flows – Closing balance of Cash & Cash Equivalents (under budget \$4.038m)

- The budget does not separate short-term investments (investments with a maturity greater than 90 days and less than 1 year) from cash & cash equivalents (investments with a maturity of 90 days or less).

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF THE TEACHING COUNCIL OF AOTEAROA NEW ZEALAND'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Auditor-General is the auditor of the Teaching Council of Aotearoa New Zealand ('the Council'). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited to carry out the audit of the financial statements of the Council, on his behalf.

Opinion

We have audited the financial statements of the Council on pages 12 to 28 of the annual report, which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, the statement of changes in net assets/equity and cash flow statement for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the of the Council:

- present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards (Reduced Disclosure Regime).

Our audit was completed on 8 December 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council's Board and our responsibilities relating to the financial statements and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Council's Board for the financial statements

The Board members are responsible for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board members are responsible for such internal control as they determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible on behalf of the Council for assessing the Council's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Council, or there is no realistic alternative but to do so.

The Council's responsibilities arise from the Education and Training Act 2020.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists,

we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council's Board is responsible for the other information. The other information comprises the information included on pages 1 to 11 of the annual report, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Council in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Council.



Chrissie Murray
Baker Tilly Staples Rodway Audit Limited

On behalf of the Auditor-General
Wellington, New Zealand

Directory

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Bankers

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100 Lambton Quay,

Wellington 6011

Insurers

Marsh Insurance Limited

P.O. Box 699,

Wellington 6140



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